

Policy Dialogue

Extractive Industries and Sustainable Development in Asia and the Pacific

Thursday 19 May 2022

13:00 – 15:30 (UTC+7), Bangkok, Thailand – Virtual

Background

The transition to sustainable energy systems is creating a set of pressures that has profound implications for economies in general and for extractive industries in particular. Extractive industries are those that are involved in the extraction, processing, and utilization of raw materials from the earth including fossil fuels (in particular, oil, coal, and natural gas), minerals (including rare earth minerals, bauxite, and gold), and aggregates (such as sand, gravel, and clay).¹

For many Asia-Pacific economies, extractive industries generate significant revenues. The Asia-Pacific region is endowed with large amounts of fossil fuel resources, including more than 60% of the world's coal reserves, 41% of the world's gas reserves, and 11% of the world's oil reserves. The region has large reserves of mineral resources, amounting to around one-fourth of the world's total, and has more than 60% of the world's total reserves of rare earth metals.

Built upon its strong energy resource endowment, the region has become one of the world's largest fossil fuel suppliers, producing more than 80% of the world's coal, 46% of the world's gas, and 27% of the world's crude oil in 2019. The region is also the world's largest mineral producer, especially for iron ore (62%), bauxite (66%), lead (73%), nickel (71%), tin (79%) and zinc (61%).

This creates opportunities for countries to invest in a sustainable future, but also raises a key question: how can extractive industries be integrated into – and even act as an engine for – sustainable development?

In February 2021, the United Nations Economic and Social Commission for Asia and the Pacific (UN ESCAP) organized an expert roundtable which brought together high-level representatives from governments, intergovernmental institutions, the private sector, non-profits, and academia to examine the future of the extractive industries sector in the context of meeting the Sustainable Development Goals.² This was one of five roundtables organized by the UN Regional

¹ https://unctad.org/en/PublicationsLibrary/suc2012d1_en.pdf

² <https://www.unescap.org/events/2021/roundtable-extractive-industries-sustainable-development-and-2030-agenda>

Commissions to address this topic. In May 2021, a high-level global roundtable was organized where messages from the Asia-Pacific roundtable were highlighted.³

Following on from the discussion and findings of these roundtables, UN ESCAP is continuing to investigate the potential implications of the energy transition on countries in Asia and the Pacific. Future work by ESCAP on this topic will be guided by three main principles.

- First, ESCAP member States must be sufficiently prepared for the impacts of the energy transition on the extractive industries.
- Second, it is critical that producing countries improve the environmental and economic sustainability of the extractive industries, so that increased demand does not lead to increased environmental degradation and inequality.
- Third, the future direction for both producing and consuming countries must be towards circularity, to ensure long term environmental and economic sustainability.

Objective of the Policy Dialogue

The overall objective of this Policy Dialogue is to explore more deeply the implications of the energy transition for the extractives industry in the Asia-Pacific region. In particular, it will consider the following questions.

- How can countries that depend on fossil fuel exports plan for and manage the disruptions caused by the transition to net-zero carbon emissions?
- What are the implications of the energy transition for countries that currently or could potentially extract and export critical minerals?
- What are the energy security implications of increased demand for critical raw materials and other inputs into the clean energy economy?
- What policies should countries implement in order to improve the sustainability of the extractives industry and downstream industries, including increased adoption of circular economy practices?
- What role should UN ESCAP and other regional entities take in enabling the just, equitable, and sustainable development of the extractives industry in the Asia-Pacific region?

The Policy Dialogue will be organized virtually, and is a closed-door, invitation-only event.

³ <https://www.un.org/en/coronavirus/financing-development/global-roundtable-on-extractive-industries>

Tentative programme:

<p>Opening session</p>	<p>Welcome by Armida Salsiah Alisjahbana, Executive Secretariat, UN ESCAP</p> <p>Keynote address by Yudo D Priaadi, Senior Advisor to the Minister for Strategic Planning, MEMR, Republic of Indonesia</p>	<p>13:00-13:15</p>
<p>Moderated discussion</p>	<p>Panel 1: Energy transition and the extractives industry in Asia-Pacific: National and Regional perspectives</p> <p>Moderated by Hongpeng Liu, Director, Energy Division</p> <p>Presentation:</p> <ul style="list-style-type: none"> • Tony Addison, Non-Resident Senior Research Fellow, UNU-WIDER <p>Speakers:</p> <ul style="list-style-type: none"> • Xiansheng Sun, Chairman, International Society for Energy Transition Study (ISETS) and Former Secretary-General, International Energy Forum • Farkhat Abytov, Executive Director, KAZENERGY • Marie Gay Alessandra Ordenes, Asia Director and Anti-Corruption Lead, Extractive Industries Transparency Initiative (EITI) International Secretariat • Tur-Od Lkhagvajav, National Council member for EITI - Mongolia • Manal Shehabi, Senior Research Fellow, Oxford Institute for Energy Studies (OIES) • Chris Tabel, Deputy Head of National Secretariat, PNG Extractive Industries Transparency Initiative • Ian Satchwell, Adjunct Professor, Sustainable Minerals Institute, The University of Queensland <p>Followed by Q&A</p>	<p>13:15-14:20</p>

<p>Moderated discussion</p>	<p>Panel 2: Preparing for the future: the extractives industry in a net-zero emissions world</p> <p>Moderated by Matthew Wittenstein, Chief of Section, Energy Connectivity</p> <p>Presentation:</p> <ul style="list-style-type: none"> • Implications of the energy transition on the extractive industries: the critical minerals perspective, Xunpeng Shi, consultant, UN ESCAP <p>Speakers:</p> <ul style="list-style-type: none"> • Marie Gail de Sagon, Head of energy and Minerals Division, ASEAN Secretariat • Toru Muta, Senior Energy Analyst, International Energy Agency • Indra Overland, Head, Research group on Climate and Energy, Norwegian Institute of International Affairs (NUPI) • Anthony Watanabe, Vice President & Global Head of Environmental Sustainability, Indorama Ventures PCL • Andrew Jones, Senior Vice President, Electric Vehicles Business, Banpu Next • Harikrishnan Tulsidas, Economic Affairs Officer, UN Economic Commission for Europe (UN ECE) <p>Followed by Q&A</p>	<p>14:15-15:15</p>
<p>Closing session</p>	<p>Closing and wrap-up</p>	<p>15:20-15:30</p>

Notes:

- A detailed programme will be shared in advance of the meeting along with relevant background documents.
- Microsoft teams will be used as the e-Conference platform.

- Interpretation will not be provided.